

*a1
Cma*

JPY/USD = 118 then the exposure is USD 10,593,220. Thus, each netted currency exposure is calculated for each value date and then converted into the credit limit base currency equivalent. If the exposure is negative, in which case Bank A owes the currency, then this is considered to be zero. This is the case if there is no cross instrument netting. The positive credit limit currency equivalent amounts are added together and this is the total credit utilisation for that value date for that instrument.

a8

Paragraph at page 28, line 18, to page 28, line 32:

The examples given above related only to netting by settlement date on a per instrument basis, explicitly addressing spot FX. Netting can be done cross instrument provided that the settlement date of the delivery of the currency is the same. The general rule of cross instrument netting by settlement date is the same as that for the per instrument example. Each netted currency exposure is calculated for each value date and is then converted into the credit limit currency equivalent. The difference is that in addition to spot FX, other designated instruments are included in this calculation. If the exposure is negative, so that Bank A owes the currency, then the amount is considered to be zero. The positive credit limit currency equivalent amounts are added together and this is the total credit utilisation for that value date.

In the Claims:

Please amend claims 12, 14, 15, 18, 20, 23, 25, 26, 30, 32, 33, 35 and 36 pursuant to 37 C.F.R. § 1.121(c)(1)(i) as set forth in the "clean" version set forth below. Entry is respectfully requested. A version with markings to show the changes made pursuant to 37 C.F.R. § 1.121(c)(1)(ii) is attached hereto as Appendix A.

Please add new claims 37-62 pursuant to 37 C.F.R. § 1.121(c)(1)(i) as set forth in the "clean" version set forth below. Entry is respectfully requested.

a9
12. (Amended) An anonymous trading system according to claim 1 wherein the instrument traded includes two or more currency values and the credit adjustment means includes means for calculating the currency exposure in each currency.

a10
14. (Amended) An anonymous trading system according to claim 12, wherein the credit adjustment means includes means of calculating exposure at a settlement date.

15. (Amended) An anonymous trading system according to claim 12, wherein the credit adjustment means includes means for calculating exposure within a time bucket.

a11
17. (Amended) An anonymous trading system according to claim 16, wherein the credit adjustment means includes means for calculating exposure at a settlement date.

a12
18. (Amended) An anonymous trading system according to claim 16, wherein the credit adjustment means includes means for calculating exposure within a time bucket.

a12
20. (Amended) An anonymous trading system according to claim 19, wherein the instrument traded includes two or more currency values, and the credit adjustment means includes means for calculating the currency exposure in each currency.

22. (Amended) An anonymous trading system according to claim 20, wherein the credit adjustment means includes means for calculating exposure at a settlement date.

a13
23. (Amended) An anonymous trading system according to claim 20, wherein the credit adjustment means includes means for calculating exposure within a time bucket.

a14
25. (Amended) An anonymous trading system according to claim 24, wherein the credit adjustment means includes means for calculating exposure at a settlement date.

a14
26. (Amended) An anonymous trading system according to claim 24, wherein the credit adjustment means includes means for calculating exposure within a time bucket.

a15
30. (Amended) An anonymous trading system according to claim 29, wherein the instrument traded includes two or more currency values, and the credit adjustment means includes means for calculating the currency exposure in each currency.

32. (Amended) An anonymous trading system according to claim 30, wherein the credit adjustment means includes means for calculating exposure at a settlement date.

a16
33. (Amended) An anonymous trading system according to claim 30, wherein the credit adjustment means includes means for calculating exposure within a time bucket.

35. (Amended) An anonymous trading system according to claim 34, wherein the credit adjustment means includes means for calculating exposure at a settlement date.

a17
36. (Amended) An anonymous trading system according to claim 34, wherein the credit adjustment means includes means for calculating exposure within a time bucket.

37. (New) A method for trading at least one tradable item between a first and a second trader, the first trader defining a credit limit for trades with the second trader, the method comprising the steps of:

118
a) performing a first trade between the first and second trader;
adjusting the credit limit based on the first trade;
performing a second trade between the first and second trader; and
adjusting the credit limit based on the total exposure of the first trader from the second trader in light of both the first and the second trade, the total exposure being based on a netting of trades between the first and second trader.

38. (New) The method as recited in claim 37, wherein the total exposure is for a defined time period.

39. (New) The method as recited in claim 38, wherein the time period is one day

40. (New) The method as recited in claim 38, wherein the time period is a time bucket.

41. (New) The method as recited in claim 37, wherein the adjusting includes converting any currency in the first and second trade into a credit limit currency.

42. (New) The method as recited in claim 37, further comprising the steps of:
producing a market view for the traders; and when the credit limit is below a threshold so that offers from the second trader will not be hit by the first trader, showing bids of the second trader in the market view for the first trader.

43. (New) The method as recited in claim 37, wherein:

the second trader is comprised of a group of trading entities; and
the adjusting adjust the credit limit for the group.

44. (New) The method as recited in claim 37, wherein the adjusting is based on trades for a single type of tradable item.

45. (New) The method system as recited in claim 37, wherein the adjusting is based on a settlement date of trades between the traders.

46. (New) The method as recited in claim 37, wherein the adjusting is based on trades which will be settled within the same time bucket.

47. (New) The method as recited in claim 37, wherein the total exposure is based on trades including at least two distinct currency pairs.

48. (New) An anonymous trading system for trading instruments between a first and second trader, the first trader defining a credit limit for trades with the second trader, the system comprising:

a communications network;

a plurality of agents coupled to the communications network, each agent effective to communicate with a respective trader; and

at least one broker terminal coupled to the at least one agent, the broker terminal effective to match orders between traders;

wherein the agent is effective to adjust the credit limit based on the total exposure of the first trader from the second trader, the total exposure being based on a netting of trades between the first and second trader.

49. (New) The trading system as recited in claim 48, wherein the agent is further effective to receive and convey orders from traders coupled thereto.

50. (New) The trading system as recited in claim 48, wherein:

the broking terminal is effective to produce a market view for the traders; and

when the credit limit is below a threshold so that offers from the second trader will not be hit by the first trader, the broking terminal shows bids of the second trader in the market view for the first trader.

51. (New) The trading system as recited in claim 48, wherein: the second trader is comprised of a group of trading entities; and the agent is effective to adjust the credit limit for the group.

*018
Conti*

52. (New) The trading system as recited in claim 48, wherein the agent is effective to adjust the credit limit based on trades for a single type of tradable item.

53. (New) The trading system as recited in claim 48, wherein the agent is effective to adjust the credit limit based on a settlement date of trades between the traders.

54. (New) The trading system as recited in claim 48, wherein the agent is effective to adjust the credit limit based on trades which will be settled within the same time bucket.

55. (New) The trading system as recited in claim 48, wherein the total exposure is based on trades including at least two distinct currency pairs.

56. (New) The trading system as recited in claim 48, wherein the total exposure is for a defined time period.

57. (New) The trading system as recited in claim 56, wherein the time period is one day.

58. (New) The trading system as recited in claim 56, wherein the time period is a time bucket.

59. (New) A trading system for trading at least one tradable item between a first trader and a second trader, the first trader defining a credit limit for trades with the second trader, the system comprising:

a communications network;

a plurality of agents coupled to the communications network, each agent effective to communicate with a respective trader; and

at least one broker terminal coupled to the at least one agent, the broker terminal effective to match orders between traders;

wherein the system is effective to adjust the credit limit based on the total exposure of the first trader from the second trader, the total exposure being based on a netting of trades between the first and second trader.

*AB
contd.*

60. (New) The trading system as recited in claim 59, wherein:

the second trader defines another credit limit for trades with the first trader; and

the system is effective to adjust the another credit limit based on the total exposure of the second trader from the first trader.

61. (New) A system of trading at least one tradable item between a first trader and a second trader, the first trader defining a credit limit for trades with the second trader, wherein the credit limit is adjusted based on the total exposure of the first trader from the second trader, the total exposure being based on a netting of trades between the first and second trader.

62. (New) An agent trading terminal in a trading system, the trading system including a communications network, and at least one broker terminal coupled to at least one agent terminal, the broker terminal effective to match orders between traders, the agent terminal coupled to a first trader, the first trader defining a credit limit for trades with

a second trader, wherein the agent trading terminal includes executable software for performing the acts of:

receiving notification that a first trade has been executed between the first and second traders;

adjusting the credit limit based on the first trade;

receiving notification that a second trade has been executed between the first and second traders; and

adjusting the credit limit based on a total exposure of the first trader from the second trader, the total exposure being based on a netting of trades between the first and second trader.

AB Conner
